

HISPANIC/LATINO QUALITY OF LIFE ADVISORY COMMISSION

BUDGET TEMPLATE **Proposed FY 2014-2015**

H/LQL Report Reference source: Page_____
(if budget request is not included in the H/QL Report, note NA-non-applicable)

Title

Page 42, Preserve existing affordable housing, especially in East Austin.

Short Description

There are few tools available to the City of Austin to preserve existing homes due to historical funding cuts by federal and state agencies that flow to cities and the City's Housing Trust Fund plus the Housing Bonds are unable to meet the need, especially for very low-income seniors, singles, and families in East Austin. Disposition of City-owned surplus power tools, hand tools, repair equipment, and building materials should be offered to non-profits before they are sold at auction or recycled for scrap.

Additional Details

Limited funds available are generally used for acquisition or construction of new affordable units. The City is also unable to offer individual homeowners and renters direct tax relief, tax subsidies, or tax abatements due to state and federal laws. Rising property values in East Austin, especially on older but relatively affordable rental homes and apartments where owners are not able to use homestead exemptions, are being sold because the owners can't afford the property taxes on these older structures. In addition to dramatically escalating taxes, there is a major problem with the income and asset limits that makes many East Austin seniors and landlords ineligible for city programs to rehabilitate affordable homes by homesteaders or landlords. However, there are creative programs operated by non-profits who have fewer income and eligibility restrictions than what governmental organizations must follow. They also have the ability to use more direct targeting and can use alternative selection criteria

The City's Combined Charitable Giving program could be expanded to include specific non-profits that are providing housing rehabilitation and tax relief to eastside homeowners and renters. The City and local foundations and corporations could all add these housing-specific non-profits to their charitable giving by employees campaigns. Here are some of the non-profits that are preserving housing affordability in East Austin:

[East Austin Conservancy, Eastside Guardians](#), Raul Alvarez director, provides grants to owners who are at risk of foreclosure due to unpaid property taxes. It has provided tax relief to 12 Eastside families. They're currently trying to meet the requirements of a \$25,000 challenge grant which would allow us to help another 15 to 20 eastside families.

[The Austin Housing Repair Coalition](#), Charles Cloutman, AHRC Chair, provides low-income families, the disabled, and the elderly with services that restore feelings of security, health and well being, and independent living. Many of the families they serve are multi-generational grandparents raising their grandchildren or frequently looking after them on the weekends and after school. The average AHRC client is: Female, Over the age of 62, On a fixed income of less than \$1,000 per month. Clients reside all over Austin, but a majority live in the 78702, 78721 and 78741 zip code areas and earn below the 30% MFI level. They hope to continue expanding their services in and around the Austin community as more low-income families and seniors strive to stay in their homes and to live independently.

[Meals on Wheels and More](#), provides minor home repairs for seniors and people with disabilities in East Austin who are also receiving delivery of meals. This organization's meal delivery volunteers help identify housing needs and the staff have a great track record in following through with needed repairs by any means necessary. They are leaders in the Austin Housing Repair Coalition. Since the program began in 2010, they have transformed approximately 102 homes, at an average cost of \$15,000 per home. The majority of the Meals on Wheels and More clients who have received home repairs/modifications are: below the 30% MFI level (less than \$1000/month fixed income) on the average, 75 years old, female, either widowed or single.

FTEs

None, the City is involved with the Austin Housing Repair Coalition and the 3 non-profits listed provide their own staffing.

Dollars

\$500,000 (not listed in HQL report as a budget request)

Justification

The need for funding affordable housing repairs for both owners and renters is limited and restricted by federal income and eligibility criteria so that many Hispanics are not able to access City programs that preserve existing affordable housing. The City is unable to provide individuals tax relief. Low-income Hispanics in East Austin, especially seniors and disabled renters are unable to repair their homes due to lack of disposable income to make repairs, lack of credit, and it's just easier to sell off existing affordable homes than to find financial assistance. East Austin is losing its Hispanic culture and identity.

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Title

Page 42, Acquisition of City of Austin Surplus Public Property Land Disposition by non-profits.

Short Description

Enable non-profits and Community Housing Development Corporations (CHDOs) to acquire surplus public property when the Neighborhood Housing and Community Development Office and/or SMART Housing program or the Austin Housing Finance Corporation do not want to use that property for affordable housing.

Additional Details

Currently, Land Disposition policies, decisions and processes used by the City's Real Estate Division when public property is no longer needed by other city departments only allow private companies and investors to acquire this surplus property. The process includes notification of available properties only to the Austin Housing Finance Corporation and the Neighborhood Housing and Community Development Office. If these two organizations cannot use the property, it is offered only to private companies and investors. NHCD and/or AHFC need to notify Austin non-profits and CHDOs when surplus public property is available before it is sold to the private sector.

FTEs

.25 FTE to notify eligible non-profits and CHDOs of public surplus property that the City's NHCD or AHFC are not able to use. This position could be located in either the Real Estate Land Disposition Office or NHCD.

Dollars

\$10,000 /year (not listed in HQL report as a budget request)

Justification

NHCD and AHFC are not able to meet the unmet needs to provide affordable housing for most of the people who need assistance with housing costs. The market share of affordable homes in Austin has dropped from 35% to just 10% of all available housing due in part to increases of demolition permits on rental units in traditionally low-income, Hispanic neighborhoods. Fifty percent of Austinites rent their homes. The City's Housing Market Study in 2008 stated that 39,000 rental units are needed for households earning less than 30% Median Family Income (MFI) or below which is \$15,850 for 1 person up to \$22,600 for a family of 4.. The MFI for Hispanics city-wide is the lowest of all ethnic groups at \$34,061; the city-wide MFI is \$62,153. Twenty-seven percent of Hispanics live in poverty according the Community Action Network. According to [Housing Works Austin](#), Austin is now the most expensive rental market in the State of Texas.¹ A full-time worker needs to earn \$20.65 an hour in order to afford an average two-bedroom rental unit. This is higher than both the State of Texas and the national averages. 27% of Austin's renters earn less than \$20,000 a year, and this population is seriously under housed. Over 25% of Austin's workforce earns less than \$13.50/hour.

